

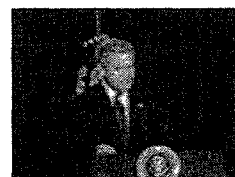
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Strengthening Medicare

A Framework to Modernize and Improve Medicare


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President Calls on Congress to Complete Work on Medicare Bill

Remarks by the President on Medicare
Presidential Hall
Dwight D Eisenhower Executive Office Building

VIDEO Multimedia

President's Remarks

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11:06 A.M. EST

THE PRESIDENT: Thank you all for coming. Good morning. Welcome to the White House. I'm glad you're here. We're meeting at an historic time, and the reason why is, after years of debate and deadlock, the Congress is on the verge of Medicare reform. And that's important. Prescription drug coverage for our seniors is within reach. Expanded coverage for preventive medicine and therapy is within our reach. More health care choices for seniors are within our reach.

Though a few difficult issues remain, the Congress has made tremendous progress. And now is the time to finish the work. (Applause.) The Congress needs to finalize legislation that brings our seniors the best of modern medicine. And I want to sign that legislation into law before the year is out. (Applause.)

And the point person for this administration in working with the Congress to move the legislation along is Tommy Thompson, our Secretary. He's done a fabulous job. (Applause.) If he looks tired, it's because he's showing up early - (laughter) -- and going to bed late, working for the seniors of America.

I want to thank Tom Scully, who is the Administrator -- Scully is the Administrator of the Centers for Medicare and Medicaid Services. I appreciate you coming. (Applause.)

We've got other members of my administration who are concerned about the health of all Americans, including our seniors -- Rich Carmona, the Surgeon General. Thank you, General. (Applause.) The Head of the Centers For Disease Control and Prevention, Julie Gerberding. Thank you, Julie, for being here. It's good to see you. (Applause.) The Director of the National Institutes of Health, Elias Zerhouni. Dr. Zerhouni is with us. (Applause.)

We've got a lot of other important people here, too many to name. But I have just come from a roundtable discussion with some seniors and some people involved in the process, a corporate executive who is from Caterpillar, who assures me that corporations have no intention of -- if there's a Medicare reform bill signed by me, corporations have no intention to what they call dump retirees into a system they don't want to be dumped into. And I appreciate that commitment by Rich Lavin. Thank you for bringing that up.

I want to thank Jim Parkel, from Fairfield, Connecticut, who is the President of the AARP, for being here. I appreciate my friend Jim "Budda" Martin for being here today. He's very much concerned about the health of our citizens. And thank you all, for coming. This is an important moment, as I said.

You see, the stories we heard remind Tommy and me that seniors depend upon Medicare, and that the Medicare



program is a basic trust that must be upheld throughout the generations. What we're talking about is trust, that people trust their government to bring a modern system of health to our seniors. We made a commitment at the federal level to provide good health care for seniors, and we must uphold that commitment. That's what we're here to discuss today -- how best to do that.

Each of the seniors that we talked about -- talked to understands that the system needs improvement, that Medicare needs to be modernized. I'm determined to meet this responsibility.

And let me share some of the stories we heard right quick. Neil LaGrow is with us. Neil, thank you. He takes 10 medications, about \$525 a month he spends. He pays for it all. Because of these costs, he continues to work -- although I must say he didn't complain about it. (Laughter.) He likes to work. We need our seniors working, by the way, in terms of making contributions to our society. I'm not talking about being on the factory floor for eight hours, but I am talking about passing on values from one generation to the next, or helping in different community activities as you see fit. It's a really important contribution to our country. Neil does that. If he gets some help with his prescription drug costs, that's going to make his retirement a little easier. Isn't that right?

Seniors should be able to plan their retirement better. The best way to do so is to make sure that they can afford the medicines necessary to keep them healthy. That's what we're talking about in this bill.

Joan Fogg is with us, from Richmond. She and her husband, Walter, are on Medicare and they pay a goodly portion for drugs right out of their own pocket. "When we think we're getting down on money, we go ahead and cut the medication in half" -- that's what she said. "That's not the way it should be, but we deal with it. We have to." Joan is right, that's not the way it should be. That's why we want to modernize the system. That's why we want to work better for all seniors.

Most American seniors and people with disabilities are grateful for the current Medicare system. Yet they understand the system has problems. Our job is to address those problems. We should carefully correct the problems. That's what we're elected to do. Medicare was created at a time when medicine consisted mostly of house calls and surgery and long hospital stays. Now modern medicine includes preventative care, outpatient procedures, and at-home care. Life is changing; Medicare is not.

Many invasive surgeries are now unnecessary because of miraculous new prescription drugs. Most Americans have coverage for this new medicine. Three-quarters of seniors have some kind of drug coverage. But seniors relying exclusively on Medicare do not have coverage for most prescription drugs and many forms of preventative care. This is not good; it's not cost-effective medicine.

Medicare today will pay for extended hospital stays for ulcer surgery, at a cost of about \$28,000 per patient. And that's important coverage. Yet Medicare will not pay for the drugs that eliminate the cause of ulcers -- drugs that cost about \$500 a year. So anytime you talk about cost savings, there's an example of cost savings.

Medicare will pay many of the costs to treat a stroke, including bills from hospital and rehab center, doctors, home health aides and out-patient care. Those costs can run more than \$100,000. And this is essential coverage. Yet Medicare does not cover the blood-thinning drugs that could prevent strokes, drugs that cost less than \$1,000 a year.

The Medicare system has many strengths. Yet it is often slow to respond to dramatic changes in medicine. It took more than a decade and an act of Congress to get Medicare to cover preventative breast cancer screenings. It took 10 years, and then an act of Congress to change the system. That's not a good system. Our seniors should not have to wait for an act of Congress for improvements in their health care. (Applause.)

The best way to provide our seniors with modern medicine, including prescription drug coverage and better preventative care, is to give them better choices under Medicare. If seniors have choices, health plans will compete for their business by offering better coverage at more affordable prices.

The choices we support include the choice of making no change at all. I understand some seniors don't want to change, and that's perfectly sensible. If you're a senior who wants to stay in the current Medicare system, you'll have that option. And you'll gain a prescription drug benefit. That's what the reform does.

If you're a senior who wants enhanced benefits, such as coverage for extended hospital stays or protection against high out-of-pocket expenses, you'll have that choice. If you liked managed care plans, that option will be there. If you're a low-income senior, you will receive extra help each month and more generous coverage, so you can afford a Medicare option that includes prescription drug benefits.

We're applying a basic principle: seniors should be able to choose the kind of coverage that works best for them, instead of having that choice made by the government. (Applause.) Every member of Congress gets to choose a health coverage plan that makes the most sense for them. So does every federal employee. If this kind of coverage is good enough for the United States Congress, it's good enough for America's seniors. (Applause.)

For seniors without any drug coverage now, these reforms will make a big difference in their lives. In return for a monthly premium of about \$35, or a dollar a day, those seniors now without coverage would see their drug bills cut roughly in half. A senior who has no drug coverage now and monthly drug costs of \$200 a month would save more than \$1,700 on drug costs each year. A senior with monthly drug costs of \$800 would save nearly \$5,900 on drug costs each year. Those are important savings, help change people's lives in a positive way.

I'm optimistic the House and the Senate negotiators will produce a bill that brings real savings to millions of seniors, and real reform to Medicare. Once the legislation is passed, it will take some time to put into place. During this period, we'll provide all seniors with a Medicare-approved drug discount card that saves between 10 to 25 percent off the cost of their medicines. So they'll have a start to see savings immediately.

Low-income beneficiaries will receive a \$600 subsidy, along with their discount card to help them purchase their prescription medicines. The legislation Congress passes must make sure that the prescription drug coverage provided to many retirees by their employers is not undermined. That's what Rick and I just discussed. Medicare legislation should encourage employers to continue benefits, while also extending drug coverage to the millions of Medicare beneficiaries who now lack it.

These steps will strengthen Medicare, not only for today's seniors, but for tomorrow's retirees. Many workers are counting on Medicare to provide good health care coverage in their retirement. That's what people are counting on. These reforms will give our workers confidence that Medicare will serve them with the very best of modern medicine.

The budget I submitted earlier this year commits an additional \$400 billion over 10 years to implement this vision of a stronger Medicare system. We're keeping our commitments to the seniors of today. We must pursue these reforms so that our Medicare system can serve future generations of Americans.

The time to improve our Medicare system has come. Now is the time. (Applause.) I urge America's seniors to speak up, to call and write your representatives to urge them to work out a final bill. Speak up for prescription drug coverage; speak up for health care choices; speak up for a modern Medicare system that puts patients and doctors in charge. (Applause.)

I urge the Congress to act quickly, to act this year, not to push this responsibility to the future. We have the opportunity; we have the obligation to give seniors more choices and better benefits. We have come far, and now is the time to finish the job.

Thank you for coming, appreciate it. (Applause.) Good to see you all. Thank you all.

END 11:20 A.M. EST

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